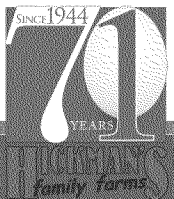


## Sustainability Programs at Hickman's Family Farms

February 2016



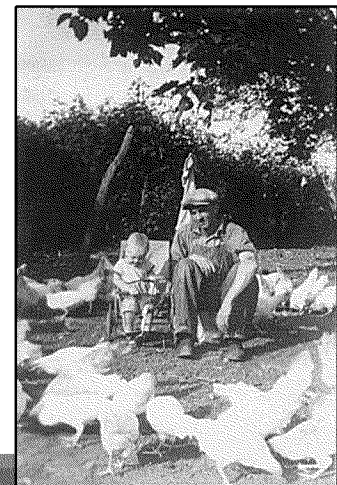
# Corporate Sustainability Mission Statement

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Hickman's Family Farms understands that to be successful it must be a responsible, sustainable corporate entity. Through all aspects of our company we are committed to sustainability - economically, environmentally and socially.



This commitment is measured by how we develop, produce and market our products, how we care and respect the flocks, land and environment in which we operate, by treating all people with dignity and consistency, and by entering into business relationships with suppliers and customers who share our dedicated sustainability vision.



# Hickman's Family Farms Sustainability Plan

## Managing Our Environment

Hickman's Family Farms environmental impact areas include water, air, carbon, energy use, solid waste, packaging, and sustainable agriculture.

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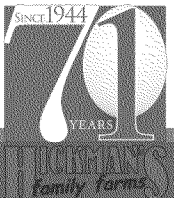
### Water Usage

Hickman's Family Farms understands the importance of water in our everyday lives and our responsibility for protecting water quality. Our production, processing and corporate offices used approximately 98.0 million gallons of water in fiscal year 2015 to produce food products, animal house and ensure the cleanliness of their facilities.

Water conservation has been an important area of focus for Hickman's Family Farms for many years. We employ programs and technologies, such as best management practices, water reclamation systems, computer programs and Team Member education, to conserve and reuse this natural resource. Our first priority is to ensure the wholesomeness and safety of our food products. Water use is critical to the cleanliness of facilities and for ensuring the safety of our products; its use is mandated by the government.

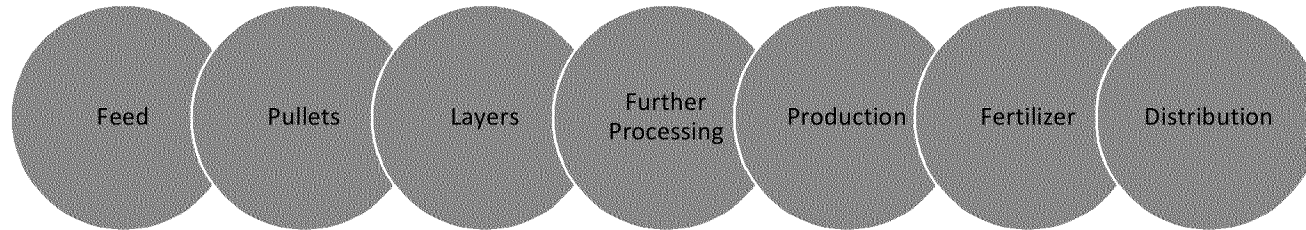
We recognize the important balance between protecting product quality and conserving a natural resource.

Accordingly, we will never reduce water usage in situations where food safety and quality could be compromised.



# Vertical Integration

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## **Hickman's is vertically integrated**

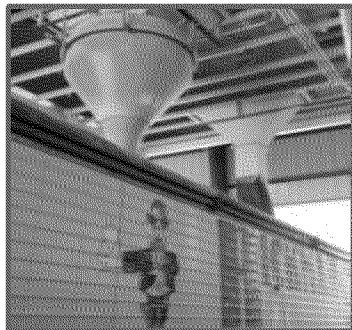
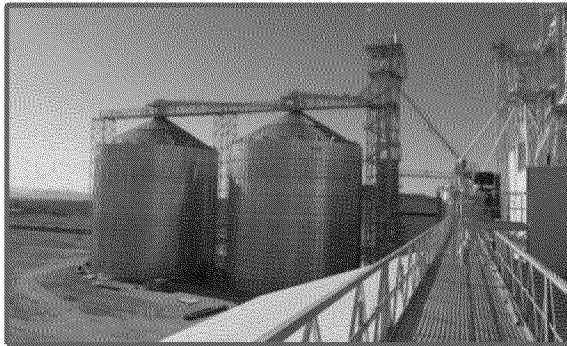
We manufacture our own feed, grow our own replacement stock, and produce and process our own eggs. We use Chex and other eggs from further processing to produce our liquid and hard cooked product. Our fleet of late model delivery trucks transports our products to our Arizona customers. We invest in the latest technology to be the most efficient producer of eggs in the Southwest. We control the quality of our products, operating two separate labs, one each for environmental and food safety testing.



# Vertical Integration

## Hickman's Feed Mill - Grain Processing

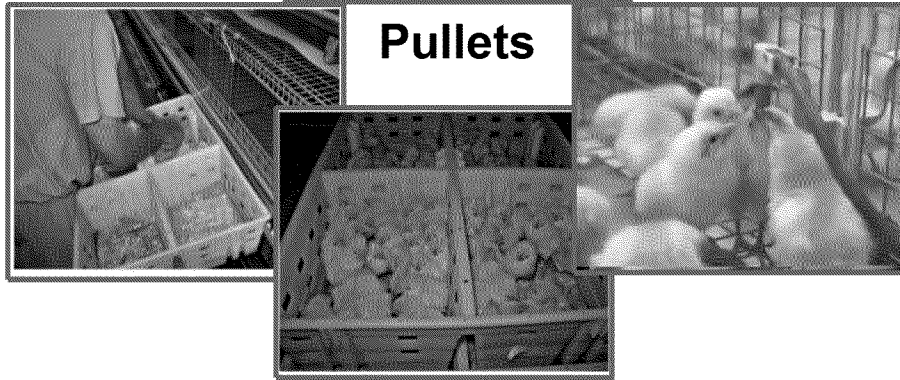
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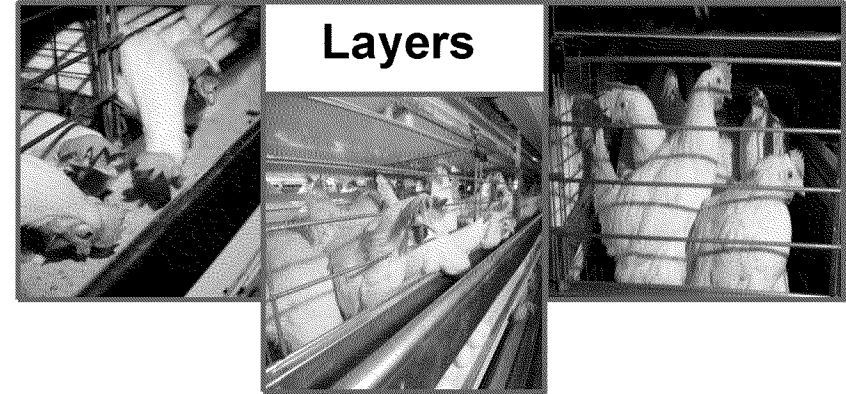
- Hickman's Family Farms has developed unique and lasting relationships with 20 Native American communities over the past 25 years.
- Collectively they farm over 100,000 acres of land in the Southwest, growing many crops including feed grains.
- We provide compost for soil fertility and they grow grain for our hens.
- Last year alone, this arrangement provided almost a million bushels of our grain needs.

# Vertical Integration

## Life of a Hickman's Hen



**Pullets**

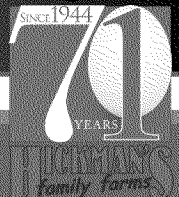


**Layers**

- **2 Days Old:** Chicks arrive from grower at Hickman's Pullet Houses and are weighed
- **2 Days to 14 Weeks:** Each chick receive a series of vaccinations (4 total)
- **1<sup>st</sup> Three Weeks:** Chicks are weighed every week
- **10 to 16 Weeks:** Blood is drawn for testing

- **16 to 17 Weeks:** As hens – they are moved to laying houses where they will live for a total of 2.2 years laying healthy nutritious eggs!
- After 2 ½ years of feeding the hungry, the hens are retired, as their eggshells become too fragile to arrive intact.

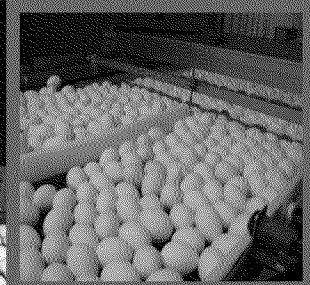
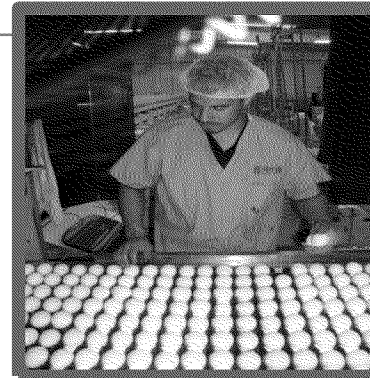
**We grow 100% of our own replacement stock.**



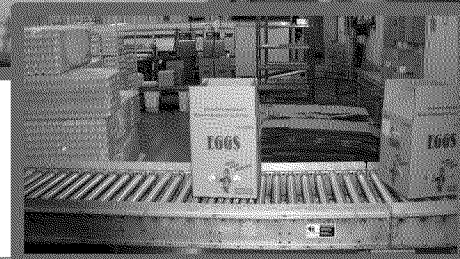
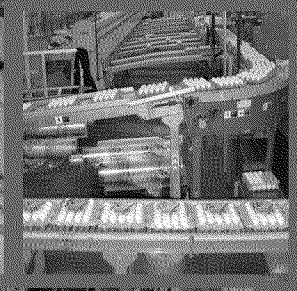
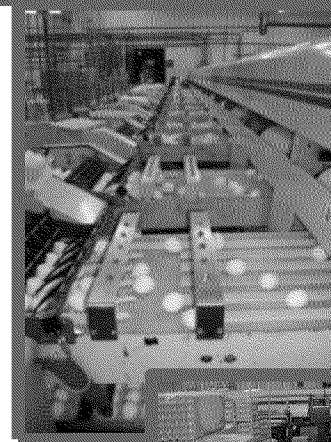
# Vertical Integration

## Hickman's Farms - Egg Processing Plants

- Our eggs are inspected by a full-time USDA inspector, every shift, every day.
- To our knowledge, we are the only company in the west with this level of food safety commitment. Plants do not start in the morning without the inspector's "thumbs up".
- Our tests show that existing industry standard washing and disinfection practices reduce the shell surface bacteria load by 98%.
- Adding our new ultra-violet technology reduces the load by another 99%, in some cases leaving the shells completely sterile.
- All of our eggs are washed, sized, inspected, packed and refrigerated within 18 hours of production. We do not grade nest run eggs produced by remote farms in uncontrolled conditions.



**Processing Shell Eggs**





# Vertical Integration

## Hickman's Further Processing

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**Egg Breaking Plant** - eggs that could be slightly cracked or dirty that did not pass the inspection process on the Shell Egg Processing side.

- Eggs transfer onto the egg breaking machine which mechanically breaks open the egg and allows the yolk/white to drain into stainless steel cups.
- The shells are discarded through an auger and carried away from the breaking machine outside of the plant for use in fertilizer.
- The liquid from the egg is visually inspected by an employee as it travels by them inside the egg cups.
- The inspector is looking for wholesome eggs without any contaminants like blood, shells, rotten eggs etc. If any are found then the cup(s) is dumped and this liquid is collected in an inedible container.
- The good liquid is then run through a filter to remove any shell bits and chelae.
- The filtered liquid is pumped to a refrigerated storage tank where it is kept at below 40deg F.

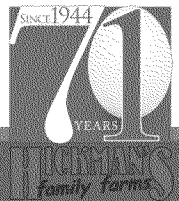
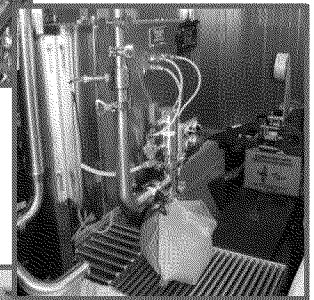


# Vertical Integration

## Hickman's Further Processing

### Pasteurizing - Liquid/Frozen Egg Processing

- The liquid from our storage tanks is pumped to the balance tank of our HTST High Temperature Short Time Pasteurizer where the process of pasteurization begins.
- Pasteurization is the process of heating a substance up to a certain temperature, holding it there for a period of time and then cooling it down rapidly to a certain temperature.
- Specifically we pasteurize our eggs at temps of 145deg F minimum for 4min or longer then cool the liquid egg down to 35deg F before sending it to our packaging area.
- We package our liquid eggs in several different packages. Liquid totes of up to 2500lbs, liquid bags from 10lbs to 30lbs and frozen liquid in a pail at 30lbs.



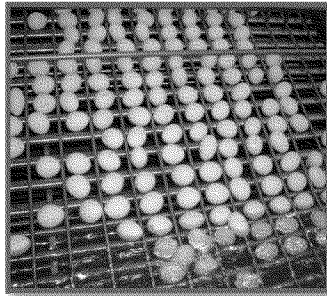
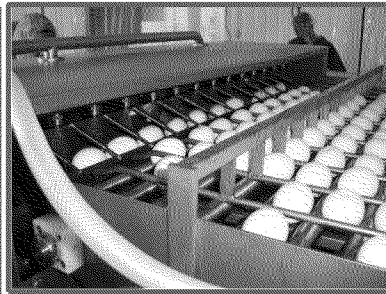
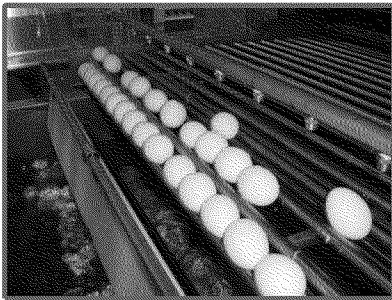
# Vertical Integration

## Hickman's Further Processing

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### Hard-Cooked Processing

- Hard-cooked Eggs are cooked and peeled

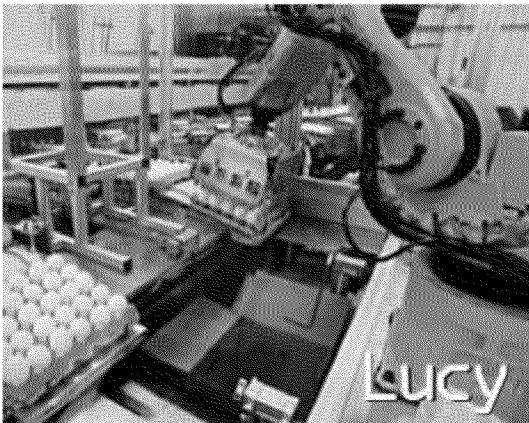


# Packaging & Distribution Robotics



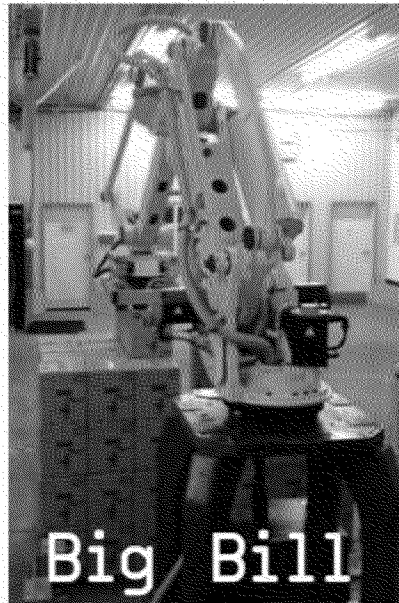
## **Shrinky**

- reduces the shipping department use of pallet wrap for stabilization;
- eliminates the need for staff to go in circles for 10 hours per day.



## **Lucy**

- reduces product breakage while increasing productivity;
- reduces hand and arm injuries, metacarpal and phalange stress, reduction of back strain and pain.

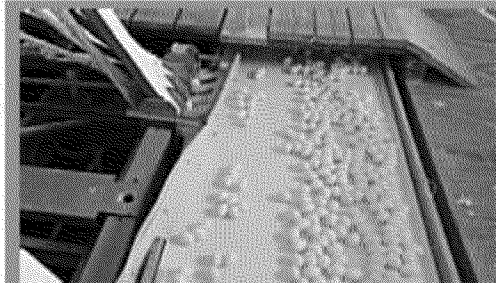


## **Big Bill**

## **Big Bill**

- gently transports finished product, reducing human handling breakage;
- reduces electric transport device movement and satisfies noise abatement;
- reduces workers lower back strains and upper body and trunk injuries.

- The MOBA machines** ■ reduce energy consumption by 66%.
- water usage is substantially reduced
- decreases shell breakage.



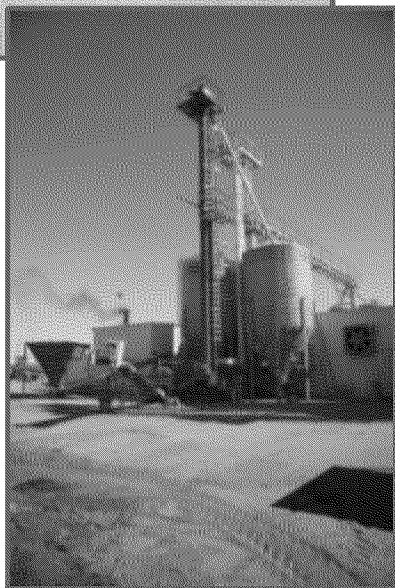
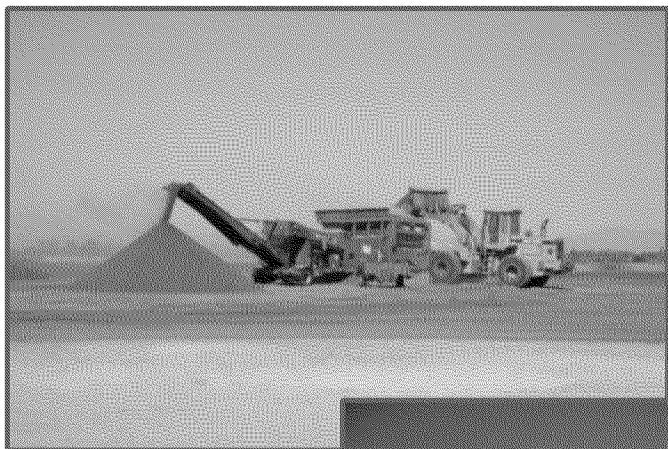
## **MOBA machines**





# Hickman's Full Circle

## Hickman's Farms' Choice - Fertilizer Processing



- Wash water is recycled and reused, and manure is dried, ground, and turned into high quality fertilizer.
- Hickman's produces 50,000 dried tons of manure per year sold to farmers and golf courses
- Our biggest compost customers need organic status. Hickman's meet this status through carefully monitored fertilizer with constant testing.

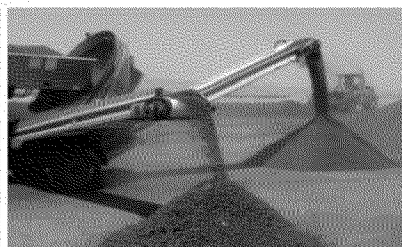


# Sustainable Agriculture & Wise Environmental Practices

## RECYCLING WORKS!

Recycling just one ton of office paper helps save 17 trees, 4100 gallons of water, 384 gallons of oil, and 3 cubic yards of landfill space!

We also use a lot of water to wash and process the eggs. This process water and any rainwater never leaves our farms. We collect and capture all of the water. The rainwater is used for dust suppression. The process water gets used in all of our fertilizer manufacturing. Cardboard is recycled. Other carbon sources like chick papers gets collected and used to make cardboard. We recently teamed up with a furniture manufacture to utilize their sawdust and shavings. We now have a program for golf courses. We place empty modules at their golf courses. When full, we collect the clippings and utilize the green waste in our manufacturing of compost and pellets. Our fertilizer is OMRI certified organic.



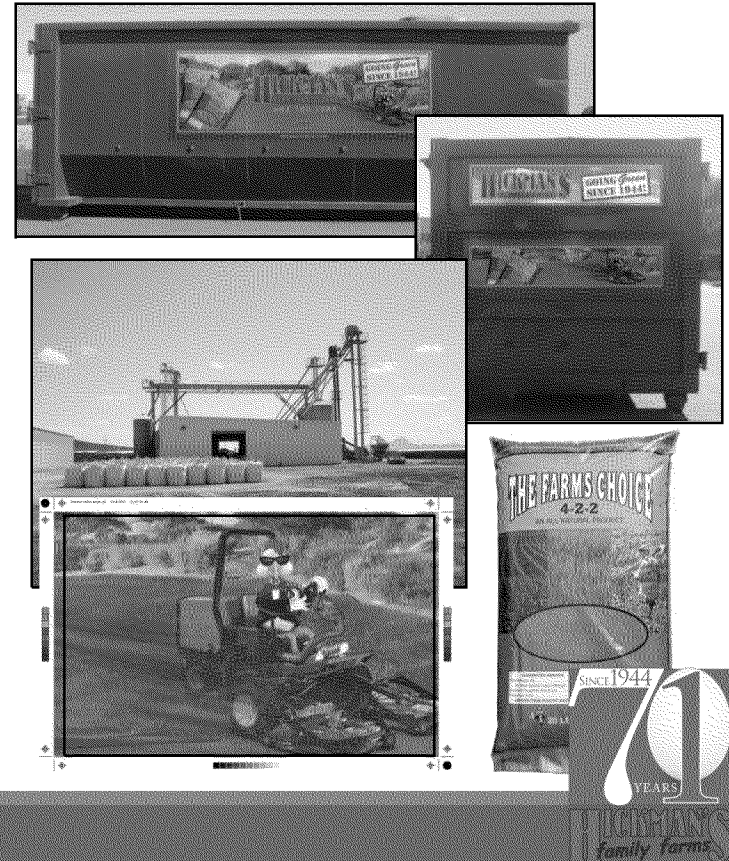
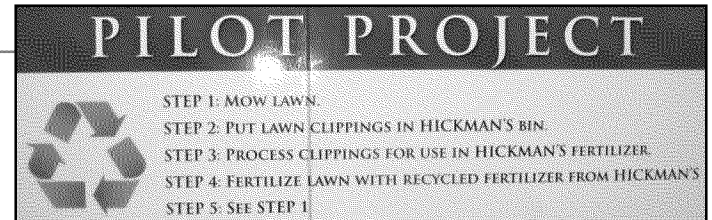
# Sustainable Agriculture and Wise Environmental Practices

June 25th 2008 in The Arizona Republic:

**“Water Essential, but Never a Certainty” by Shaun McKinnon**

Like many businesses that adopt sustainable practices, Hickman's Eggs did so first because the changes were financially sound. The family started recycling the water used to wash eggs about five years ago, funneling it into an on-site compost operation. That immediately saved the business as much as 250,000 gallons of water a month. At the new ranch southwest of Buckeye, the Hickmans built chicken houses to take advantage of the winds, which will help cool the interior using less water and power. The compost business grew when Goodyear-based Duncan Farms went organic and sought a higher quality fertilizer. Gray water recycled from the processing buildings flows into evaporative ponds that help start the composting cycle. Arnott Duncan, owner of Duncan Farms, is the Hickmans' biggest compost customer. To earn organic status, he must use carefully monitored fertilizer, and need the Hickmans meet with constant testing. “For us, it has to be safe,” Duncan said. Because his fields sit so near to the Hickmans', the product travels fewer miles, as well. “We really are sensitive to our carbon footprint,” said Duncan, referring to the farm's carbon dioxide emissions. “We have to live here, too.”

In addition to the efforts mentioned in the article above, chicken manure is dried, ground, and put into their high quality fertilizer. A pilot project has also been launched in Goodyear, Arizona where lawn clippings are collected and composted.



## Fresh, Quality Product

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We strive to continually exceed customer expectations. We have been UEP certified for many years and have chosen to certify our products by an in-house USDA grader.

In Spring of 2015 we maintained SQF 3 certification. We do our best to take proactive efforts in ensuring the quality and safety of our food.



*Produced in Compliance with United Egg Producers' Animal Husbandry Guidelines*

[www.uepcertified.com](http://www.uepcertified.com)



# Contact Information

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*Web address:*

[www.hickmanseggs.com](http://www.hickmanseggs.com)

**Glenn Hickman**

President

Hickman Family Farms, Inc.

[ghickman@hickmanseggs.com](mailto:ghickman@hickmanseggs.com)

(623)872-2308

**Juan Maldonado**

Sales Manager

[JuanM@hickmanseggs.com](mailto:JuanM@hickmanseggs.com)

(623)872-2322

